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Remarks

The present response is to the Office Action mailed the above-referenced case on December 06, 2006. Claims 1-11, 13-25, 27 and 28 are standing for examination. Claims 2-11, 13 and 14 are rejected under 35 U.S.C. 112, second paragraph. Claims 1, 2, 15 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Atsmon et al. (U.S. 6,607,136), hereinafter Atsmon in view of Leydier et al. (PG Pub #US 2003/0046554 A1) hereinafter Leydier. Claims 3-11, 13, 14, 17-25, 27 and 28 are rejected under 35 U.S.C. 103(a) and being unpatentable over Atsmon and Leydier, further in view of Saitoh (U.S. 5,929,414), hereinafter Saitoh.

Applicant has carefully studied the prior art references provided by the Examiner, and the Examiner's objections, rejections and reasoning in the instant Office Action. Applicant herein provides arguments clearly showing that the 112 rejection is not valid and art presented by the Examiner fails to support the 103 rejection asserted.

Regarding the 112 rejection, the Examiner states; "Claim 2 recites 'the smart card characterized by possessing all processing means required for exchanging data with the card reader...' (emphasis added) which renders the scope of the claim unascertainable. Examiner notes that it is unclear what applicant considers 'all processing means required for exchanging data'. For example, the host computer running an applet to read the data from the smartcard would have processing means (applicant's disclosure, page 3, lines 16-17), as would an IVR server or a standard ISO card reader. Applicant appears to be claiming a feature of the card reader (a connector without processing means) in a certain embodiment of the invention, but the claim is not limited to such an interpretation."

Applicant argues that applicant, in claim 2 is specifically claiming that the card reader contains or possesses all of the processing means to exchange data with the card reader. The Examiner should read the limitation in context and not piecemeal examine

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word groupings of the sentence out of context. The claim reads that the smartcard contains all of the processing means for exchanging data with the card reader which has absolutely nothing to do with external components (IVR, host computer) exchanging data with the smartcard. Applicant teaches that the present invention allows using smart cards online with a simple and inexpensive card reader, which is actually a connector without processing means (page 1, lines 26-30). Applicant's claim is clearly limited to data exchange between the card reader and the smartcard. Therefore, the Examiner's 112 rejection is unfounded.

The Examiner also states Atsmon teaches; "An on-chip oscillator (oscillator circuit or RC circuit; column 13, lines 4-11), circuitry of which is contained in the secure memory device; examiner notes that Atsmon teaches both circuits being external. However, both circuits are external to the processor, not to the card. This is evidenced by the fact that Atsmon teaches the type of oscillator used is limited by the size of the card. Atsmon also teaches that the oscillator would be connected to the OSC1/CLKIN pin of the processor (figure 7). Accordingly, examiner asserts that the oscillator is on-chip (on the card).

Applicant argues that as well known in the art and evidenced by the teaching of Atsmon, "on chip" and "on the card" are not interrelated teachings as espoused by the Examiner. Atsmon clearly teaches; "FIG. 7 shows the Microchip PIC10F84 microcontroller and surrounding circuitry. The processor is a PIC16F84, which is fast and contains on-chip data EEPROM. The PIC16F84 also provides for three options to provide the clock source— (1) external crystal oscillator, (2) external oscillator circuit, and (3) external RC circuit. Because of the size constraint of the electronic card, a crystal clock source could not be used. Also, an external oscillator circuit, while feasible, contains too many components. Accordingly, an RC circuit (R2 and C2) is provided at the OSC1 CLKIN input (col. 12, line 66 to col. 13, line 8)."

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Applicant argues as clearly taught in Atsmon, the EEPROM is on chip, just as the oscillator is claimed to be on chip in applicant's invention. Atsmon clearly teaches an external oscillator, not on-chip as claimed.

Further, the Examiner states that Atsmon teaches; " An ISO 7816 interface (column 25, lines 12, 13); A one-wire modem interlace (transducer; column 11, lines 37-39); Characterized in that both communication interfaces are bidirectional (input/output unit 35, figure 3; column 11, lines 36-40); Examiner notes that the I/O unit 35 can both receive and transmit data (therefore bi-directional).

Applicant points out that applicant's claim is to two interfaces, both being bidirectional. Atsmon merely teaches that in a specific embodiment the electronic card complies with the credit card set of standards—ISO 7810, 7811-1 to 7811-6, 7813, 7816-1, and 7816-2 (col. 25, lines 10-13). Applicant argues that this teaching in Atsmon falls short of providing a ISO7816 bidirectional interface sharing an I/O terminal with a modem interface, as claimed. Further applicant argues that applicant's independent claim 1 reads two interfaces share the same I/O terminal.

The Examiner relies upon Leydier to teach two interfaces sharing the same I/O terminal. Leydier teaches a communication interface with a plurality of I/O ports, one each for ISO, USB and wireless. Applicant argues that the interface of Leydier teaches three separate I/O terminals each dedicated to their own communication protocol. Leydier's interface cannot possibly read on the single I/O terminal as argued and claimed in applicant's invention.

Independent claims 1 and 15 are clearly patentable over the art of Atsmon as argued above. Dependent claims 2-11, 13-14, 16-25, and 27-28 are patentable on their own merits, or at least as dependent upon a patentable base claim.

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As all of the claims standing for examination have been shown to be patentable over the art of record, applicant respectfully requests reconsideration, and that the present case be passed quickly to issue. If there are any time extensions needed beyond any extension specifically requested with this response, such extension of time is hereby requested. If there are any fees due beyond any fees paid with this amendment, authorization is given to deduct such fees from deposit account 50-0534.

Respectfully Submitted,
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